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WHAT IS CLAIMED IS:

- 1. A liquid crystal display device comprising:
- (a) a first substrate;
- (b) a second substrate spaced away from and facing said first substrate;
- (c) a liquid crystal layer sandwiched between said first and second substrates;
 - (d) a transistor formed on said first substrate;
- (e) a wiring layer formed on said first substrate and electrically connected to said transistor;
 - (f) a reflection electrode formed on said first substrate, an external incident light being reflected at said reflection electrode towards a viewer; and
 - (g) a compensation layer formed directly on said wiring layer, said reflection electrode not overlapping said wiring layer,
- said compensation layer having almost the same height as a height of said reflection electrode, said height being measured from a surface of said first substrate.
- 2. The liquid crystal display device as set forth in claim 1, further comprising an electrically insulating film having a wavy surface, and wherein said reflection electrode is formed on said electrically insulating film and has a surface reflecting said wavy surface of said electrically insulating film.
- 3. The liquid crystal display device as set forth in claim 2, wherein said electrically insulating film is comprised of a projection formed on said first substrate, and an insulating layer covering said projection therewith.
 - 4. The liquid crystal display device as set forth in claim 3, wherein said electrically insulating film is formed also on said wiring layer as said

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compensation layer in which said projection is formed on said wiring layer.

- 5. The liquid crystal display device as set forth in claim 4, wherein said electrically insulating film formed on said wiring layer has a height greater than a height of a lowest portion of said wavy surface of said electrically insulating film.
- 6. The liquid crystal display device as set forth in claim 4, wherein said compensation layer is comprised of a projection formed on said wiring layer, and an insulating layer covering said projection therewith.
- 7. The liquid crystal display device as set forth in claim 1, wherein said reflection electrode and said wiring layer do not overlap each other.
- 8. The liquid crystal display device as set forth in claim 1, wherein said reflection electrode has ends located above and in alignment with opposite ends of said wiring layer.
- 9. The liquid crystal display device as set forth in claim 1, further comprising thin film transistors each acting as a switching device and each applied to each of pixels.
- 10. The liquid crystal display device as set forth in claim 3, wherein said projection is comprised of a first projection defining a rectangular frame, and a second projection defining a plurality of linear projections each extending in different directions from one another within said rectangular frame.
- 11. The liquid crystal display device as set forth in claim 10, wherein said first projection is formed on said wiring layer.

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steps of:

- 12. The liquid crystal display device as set forth in claim 11, wherein said first projection has a greater width than a width of said linear projections.
- 13. A method of fabricating a liquid crystal display device including a first substrate; a second substrate spaced away from and facing said first substrate; a liquid crystal layer sandwiched between said first and second substrates; and a reflection electrode formed on said first substrate, an external incident light being reflected at said reflection electrode towards a viewer,

said method comprising the steps of:

- (a) forming a switching device and a wiring layer on said first substrate, said wiring layer being electrically connected to said switching device,
- (b) forming a first projection on said wiring layer and second projections on said first substrate;
- (c) covering said first and second projections with an electrically insulating layer;
- (d) forming an electrically conductive film over said electrically insulating layer; and
- (e) patterning said electrically conductive film such that said electrically conductive film does not overlap said wiring layer.

14. The method as set forth in claim 13, wherein said step (e) includes the

- (e1) forming a photoresist layer over said electrically conductive film;
- (e2) forming a hole throughout said photoresist layer above said wiring layer, said hole reaching said electrically conductive film; and
 - (e3) etching said electrically conductive film such that an etched portion of said electrically conductive film has a length greater than a width of said hole.
 - 15. The method as set forth in claim 13, wherein said first projection and

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said electrically insulating layer are formed to have almost the same height as a height of said second projections, said electrically insulating layer and said electrically conductive film.

- 16. The method as set forth in claim 13, wherein said electrically insulating layer is formed to have a wavy surface, and said electrically conductive film is formed to have a surface reflecting said wavy surface of said electrically insulating layer.
 - 17. The method as set forth in claim 13, wherein said electrically conductive film is formed to have ends located above and in alignment with opposite ends of said wiring layer.
 - 18. The method as set forth in claim 13, wherein said first projection defines a rectangular frame, and said second projections define a plurality of linear projections each extending in different directions from one another within said rectangular frame.
- 19. The method as set forth in claim 18, wherein said first projection is 20 formed to have a greater width than a width of said linear projections.